



KIM REYNOLDS  
GOVERNOR

**OFFICE OF THE GOVERNOR**

ADAM GREGG  
LT GOVERNOR

April 15, 2019

The Honorable Paul Pate  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

Senate File 569, an Act relating to business entities, by providing for different types of limited liability companies and the dissolution of limited liability companies, and including effective date provisions.

The above Senate File is hereby approved on this date.

Sincerely,

A handwritten signature in black ink that reads "Kim Reynolds".

Kim Reynolds  
Governor of Iowa



Senate File 569

AN ACT

RELATING TO BUSINESS ENTITIES, BY PROVIDING FOR DIFFERENT TYPES OF LIMITED LIABILITY COMPANIES AND THE DISSOLUTION OF LIMITED LIABILITY COMPANIES, AND INCLUDING EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

UNIFORM PROTECTED SERIES ACT — ENACTMENT

ARTICLE 12

PART 1

UNIFORM PROTECTED SERIES ACT

SUBPART A

GENERAL PROVISIONS

Section 1. NEW SECTION. 489.12101 Short title.

This part may be cited as the "*Uniform Protected Series Act*".

Sec. 2. NEW SECTION. 489.12102 Definitions.

As used in this part, unless the context otherwise requires:

1. "*Asset*" means any of the following:

- a. Property in which a series limited liability company or protected series has rights.
- b. Property as to which the company or protected series has the power to transfer rights.

2. "*Associated asset*" means an asset that meets the requirements of section 489.12301.

3. "*Associated member*" means a member that meets the requirements of section 489.12302.

4. *"Foreign protected series"* means an arrangement, configuration, or other structure established by a foreign limited liability company which has attributes comparable to a protected series established under this part. The term applies whether or not the law under which the foreign company is organized refers to "protected series".

5. *"Foreign series limited liability company"* means a foreign limited liability company that has at least one foreign protected series.

6. *"Nonassociated asset"* means any of the following:

a. An asset of a series limited liability company which is not an associated asset of the company.

b. An asset of a protected series of the company which is not an associated asset of the protected series.

7. *"Person"* means the same as defined in section 4.1 and includes a protected series.

8. *"Protected series"*, except in the phrase *"foreign protected series"*, means a protected series established under section 489.12201.

9. *"Protected-series manager"* means a person under whose authority the powers of a protected series are exercised and under whose direction the activities and affairs of the protected series are managed under the operating agreement, this part, and this chapter.

10. *"Protected-series transferable interest"* means a right to receive a distribution from a protected series.

11. *"Protected-series transferee"* means a person to which all or part of a protected-series transferable interest of a protected series of a series limited liability company has been transferred, other than the company. The term includes a person that owns a protected-series transferable interest as a result of ceasing to be an associated member of a protected series.

12. *"Series limited liability company"*, except in the phrase *"foreign series limited liability company"*, means a limited liability company that has at least one protected series.

Sec. 3. NEW SECTION. 489.12103 Nature of protected series.

A protected series of a series limited liability company is a person distinct from all of the following:

1. The company, subject to section 489.12104, subsection 3, section 489.12501, subsection 1, and section 489.12502, subsection 4.

2. Another protected series of the company.

3. A member of the company, whether or not the member is an associated member of the protected series.

4. A protected-series transferee of a protected series of the company.

5. A transferee of a transferable interest of the company.

Sec. 4. NEW SECTION. 489.12104 Powers and duration of protected series.

1. A protected series of a series limited liability company has the capacity to sue and be sued in its own name.

2. Except as otherwise provided in subsections 3 and 4, a protected series of a series limited liability company has the same powers and purposes as the company.

3. A protected series of a series limited liability company ceases to exist not later than when the company completes its winding up.

4. A protected series of a series limited liability company shall not do any of the following:

a. Be a member of the company.

b. Establish a protected series.

c. Except as permitted by law of this state other than this part, have a purpose or power that the law of this state other than this part prohibits a limited liability company from doing or having.

Sec. 5. NEW SECTION. 489.12105 Governing law.

The law of this state governs all of the following:

1. The internal affairs of a protected series of a series limited liability company, including all of the following:

a. Relations among any associated members of the protected series.

b. Relations among the protected series and any of the following:

(1) Any associated member.

(2) The protected-series manager.

(3) Any protected-series transferee.

c. Relations between any associated member and any of the

following:

- (1) The protected-series manager.
- (2) Any protected-series transferee.
  - d.* The rights and duties of a protected-series manager.
  - e.* Governance decisions affecting the activities and affairs of the protected series and the conduct of those activities and affairs.
  - f.* Procedures and conditions for becoming an associated member or protected-series transferee.
2. The relations between a protected series of a series limited liability company and each of the following:
  - a.* The company.
  - b.* Another protected series of the company.
  - c.* A member of the company which is not an associated member of the protected series.
  - d.* A protected-series manager that is not a protected-series manager of the protected series.
  - e.* A protected-series transferee that is not a protected-series transferee of the protected series.
3. The liability of a person for a debt, obligation, or other liability of a protected series of a series limited liability company if the debt, obligation, or liability is asserted solely by reason of the person being or acting as any of the following:
  - a.* An associated member, protected-series transferee, or protected-series manager of the protected series.
  - b.* A member of the company which is not an associated member of the protected series.
  - c.* A protected-series manager that is not a protected-series manager of the protected series.
  - d.* A protected-series transferee that is not a protected-series transferee of the protected series.
  - e.* A manager of the company.
  - f.* A transferee of a transferable interest of the company.
4. The liability of a series limited liability company for a debt, obligation, or other liability of a protected series of the company if the debt, obligation, or liability is asserted solely by reason of the company doing any of the following:
  - a.* Having delivered to the secretary of state for filing

under section 489.12201, subsection 2, a protected series designation pertaining to the protected series or under section 489.12201, subsection 4, or section 489.12202, subsection 3, a statement of designation change pertaining to the protected series.

*b.* Being or acting as a protected-series manager of the protected series.

*c.* Having the protected series be or act as a manager of the company.

*d.* Owning a protected-series transferable interest of the protected series.

5. The liability of a protected series of a series limited liability company for a debt, obligation, or other liability of the company or of another protected series of the company if the debt, obligation, or liability is asserted solely by reason of any of the following:

*a.* The protected series is any of the following:

(1) A protected series of the company or having as a protected-series manager the company or another protected series of the company.

(2) Acting as a protected-series manager of another protected series of the company or a manager of the company.

*b.* The company owning a protected-series transferable interest of the protected series.

Sec. 6. NEW SECTION. 489.12106 Relation of operating agreement, this part, and this chapter.

1. Except as otherwise provided in this section and subject to sections 489.12107 and 489.12108, the operating agreement of a series limited liability company governs all of the following:

*a.* The internal affairs of a protected series, including all of the following:

(1) Relations among any associated members of the protected series.

(2) Relations among the protected series and any of the following:

(a) Any associated member.

(b) The protected-series manager.

(c) Any protected-series transferee.

(3) Relations between any associated member and any of the following:

(a) The protected-series manager.

(b) Any protected-series transferee.

(4) The rights and duties of a protected-series manager.

(5) Governance decisions affecting the activities and affairs of the protected series and the conduct of those activities and affairs.

(6) Procedures and conditions for becoming an associated member or protected-series transferee.

*b.* Relations among the protected series, the company, and any other protected series of the company.

*c.* Relations between all of the following:

(1) The protected series, its protected-series manager, any associated member of the protected series, or any protected-series transferee of the protected series.

(2) A person in the person's capacity as any of the following:

(a) A member of the company which is not an associated member of the protected series.

(b) A protected-series transferee or protected-series manager of another protected series.

(c) A transferee of the company.

2. If this chapter otherwise restricts the power of an operating agreement to affect a matter, the restriction applies to a matter under this part in accordance with section 489.12108.

3. If law of this state other than this part imposes a prohibition, limitation, requirement, condition, obligation, liability, or other restriction on a limited liability company, a member, manager, or other agent of the company, or a transferee of the company, except as otherwise provided in law of this state other than this part, the restriction applies in accordance with section 489.12108.

4. Except as otherwise provided in section 489.12107, if the operating agreement of a series limited liability company does not provide for a matter described in subsection 1 in a manner permitted by this article, the matter is determined in accordance with the following rules:

*a.* To the extent this part addresses the matter, this part governs.

*b.* To the extent this part does not address the matter, the other articles of this chapter governs the matter in accordance with section 489.12108.

Sec. 7. NEW SECTION. 489.12107 Additional limitations on operating agreement.

1. An operating agreement shall not vary the effect of any of the following:

- a.* This section.
- b.* Section 489.12103.
- c.* Section 489.12104, subsection 1.
- d.* Section 489.12104, subsection 2, to provide a protected series a power beyond the powers this chapter provides a limited liability company.
- e.* Section 489.12104, subsection 3 or 4.
- f.* Section 489.12105.
- g.* Section 489.12106.
- h.* Section 489.12108.
- i.* Section 489.12201, except to vary the manner in which a limited liability company approves establishing a protected series.
- j.* Section 489.12202.
- k.* Section 489.12301.
- l.* Section 489.12302.
- m.* Section 489.12303, subsection 1 or 2.
- n.* Section 489.12304, subsection 3 or 6.
- o.* Section 489.12401, except to decrease or eliminate a limitation of liability stated in section 489.12401.
- p.* Section 489.12402.
- q.* Section 489.12403.
- r.* Section 489.12404.
- s.* Section 489.12501, subsections 1, 4, and 5.
- t.* Section 489.12502, except to designate a different person to manage winding up.
- u.* Section 489.12503.
- v.* Article 6.
- w.* Article 7.
- x.* Article 8, except to vary any of the following:

(1) The manner in which a series limited liability company may elect under section 489.12803, subsection 1, paragraph "b", to be subject to this part.

(2) The person that has the right to sign and deliver to the secretary of state for filing a record under section 489.12803, subsection 2, paragraph "b".

y. A provision of this part pertaining to any of the following:

(1) Registered agents.

(2) The secretary of state, including provisions pertaining to records authorized or required to be delivered to the secretary of state for filing under this part.

2. An operating agreement shall not unreasonably restrict the duties and rights under section 489.12305 but may impose reasonable restrictions on the availability and use of information obtained under section 489.12305 and may provide appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use.

Sec. 8. NEW SECTION. 489.12108 Rules for applying to specified provisions of this chapter to specified provisions of this part.

1. Except as otherwise provided in subsection 2 and section 489.12107, the following rules apply in applying section 489.12106, section 489.12304, subsections 3 and 6, section 489.12501, subsection 4, paragraph "a", section 489.12502, subsection 1, and section 489.12503, subsection 2:

a. A protected series of a series limited liability company is deemed to be a limited liability company that is formed separately from the series limited liability company and is distinct from the series limited liability company and any other protected series of the series limited liability company.

b. An associated member of the protected series is deemed to be a member of the company deemed to exist under paragraph "a".

c. A protected-series transferee of the protected series is deemed to be a transferee of the company deemed to exist under paragraph "a".

d. A protected-series transferable interest of the protected series is deemed to be a transferable interest of the company deemed to exist under paragraph "a".

e. A protected-series manager is deemed to be a manager of the company deemed to exist under paragraph "a".

f. An asset of the protected series is deemed to be an asset of the company deemed to exist under paragraph "a", whether or not the asset is an associated asset of the protected series.

g. Any creditor or other obligee of the protected series is deemed to be a creditor or obligee of the company deemed to exist under paragraph "a".

2. Subsection 1 does not apply if its application would do any of the following:

a. Contravene section 489.110.

b. Authorize or require the secretary of state to do any of the following:

(1) Accept for filing a type of record that neither this part nor any of the other articles of this chapter authorizes or requires a person to deliver to the secretary of state for filing.

(2) Make or deliver a record that neither this part nor the other articles of this chapter authorizes or requires the secretary of state to make or deliver.

#### SUBPART B

#### ESTABLISHING PROTECTED SERIES

Sec. 9. NEW SECTION. 489.12201 Protected series designation — amendment.

1. With the affirmative vote or consent of all members of a limited liability company, the company may establish a protected series.

2. To establish a protected series, a limited liability company shall deliver to the secretary of state for filing a protected series designation, signed by the company, stating the name of the company and the name of the protected series to be established.

3. A protected series is established when the protected series designation takes effect under section 489.205.

4. To amend a protected series designation, a series limited liability company shall deliver to the secretary of state for filing a statement of designation change, signed by the company, that changes the name of the company, the name of the protected series to which the designation applies, or both.

The change takes effect when the statement of designation change takes effect under section 489.205.

Sec. 10. NEW SECTION. 489.12202 Name.

1. Except as otherwise provided in subsection 2, the name of a protected series must comply with section 489.108.

2. The name of a protected series of a series limited liability company must do all of the following:

a. Begin with the name of the company, including any word or abbreviation required by section 489.108.

b. Contain the phrase "*Protected Series*" or "*protected series*" or the abbreviation "P.S." or "PS".

3. If a series limited liability company changes its name, the company shall deliver to the secretary of state for filing a statement of designation change for each of the company's protected series, changing the name of each protected series to comply with this section.

Sec. 11. NEW SECTION. 489.12203 Registered agent.

1. The registered agent in this state for a series limited liability company is the registered agent in this state for each protected series of the company.

2. Before delivering a protected series designation to the secretary of state for filing, a limited liability company shall agree with a registered agent that the agent will serve as the registered agent in this state for both the company and the protected series.

3. A person that signs a protected series designation delivered to the secretary of state for filing affirms as a fact that the limited liability company on whose behalf the designation is delivered has complied with subsection 2.

4. A person that ceases to be the registered agent for a series limited liability company ceases to be the registered agent for each protected series of the company.

5. A person that ceases to be the registered agent for a protected series of a series limited liability company, other than as a result of the termination of the protected series, ceases to be the registered agent of the company and any other protected series of the company.

6. Except as otherwise agreed by a series limited liability company and its registered agent, the agent is not obligated to

distinguish between a process, notice, demand, or other record concerning the company and a process, notice, demand, or other record concerning a protected series of the company.

**Sec. 12. NEW SECTION. 489.12204 Service of process, notice, demand, or other record.**

1. A protected series of a series limited liability company may be served with a process, notice, demand, or other record required or permitted by law by any of the following:

- a. Serving the company.
- b. Serving the registered agent of the protected series.
- c. Other means authorized by law of this state other than the other articles of this chapter.

2. Service of a summons and complaint on a series limited liability company is notice to each protected series of the company of service of the summons and complaint and the contents of the complaint.

3. Service of a summons and complaint on a protected series of a series limited liability company is notice to the company and any other protected series of the company of service of the summons and complaint and the contents of the complaint.

4. Service of a summons and complaint on a foreign series limited liability company is notice to each foreign protected series of the foreign company of service of the summons and complaint and the contents of the complaint.

5. Service of a summons and complaint on a foreign protected series of a foreign series limited liability company is notice to the foreign company and any other foreign protected series of the company of service of the summons and complaint and the contents of the complaint.

6. Notice to a person under subsection 2, 3, 4, or 5 is effective whether or not the summons and complaint identify the person if the summons and complaint name as a party and identify any of the following:

- a. The series limited liability company or a protected series of the company.
- b. The foreign series limited liability company or a foreign protected series of the foreign company.

**Sec. 13. NEW SECTION. 489.12205 Certificate of existence for protected series.**

1. On request of any person, the secretary of state shall issue a certificate of existence for a protected series of a series limited liability company or a certificate of authority for a foreign protected series in the following circumstances:

*a.* In the case of a protected series, if all of the following apply:

(1) No statement of dissolution, termination, or relocation pertaining to the protected series has been filed.

(2) The company has delivered to the secretary of state for filing the most recent biennial report required by section 489.209 and the report includes the name of the protected series, unless any of the following applies:

(a) When the company delivered the report for filing, the protected series designation pertaining to the protected series had not yet taken effect.

(b) After the company delivered the report for filing, the company delivered to the secretary of state for filing a statement of designation change changing the name of the protected series.

*b.* In the case of a foreign protected series, it is authorized to do business in this state.

2. A certificate issued under subsection 1 must state all of the following:

*a.* In the case of a protected series, all of the following:

(1) The name of the protected series of the series limited liability company and the name of the company.

(2) That the requirements of subsection 1 are met.

(3) The date the protected series designation pertaining to the protected series took effect.

(4) If a statement of designation change pertaining to the protected series has been filed, the effective date and contents of the statement.

*b.* In the case of a foreign protected series, that it is authorized to do business in this state.

*c.* That all fees, taxes, interest, and penalties due under this chapter or other law to the secretary of state have been paid if all of the following apply:

(1) Payment is reflected in the records of the secretary of state.

(2) Nonpayment affects the existence or good standing of the protected series.

*d.* Other facts reflected in the records of the secretary of state pertaining to the protected series or foreign protected series which the person requesting the certificate reasonably requests.

3. Subject to any qualification stated by the secretary of state in a certificate issued under subsection 1, the certificate may be relied on as conclusive evidence of the facts stated in the certificate.

Sec. 14. NEW SECTION. 489.12206 Information required in biennial report — effect of failure to provide.

1. In the biennial report required by section 489.209, a series limited liability company shall include the name of each protected series of the company for which all of the following applies:

*a.* For which the company has previously delivered to the secretary of state for filing a protected series designation.

*b.* Which has not dissolved and completed winding up.

2. A failure by a series limited liability company to comply with subsection 1 with regard to a protected series prevents issuance of a certificate of good standing pertaining to the protected series but does not otherwise affect the protected series.

#### SUBPART C

ASSOCIATED ASSET, ASSOCIATED MEMBER, PROTECTED-SERIES TRANSFERABLE INTEREST, MANAGEMENT, AND RIGHT OF INFORMATION

Sec. 15. NEW SECTION. 489.12301 Associated asset.

1. Only an asset of a protected series may be an associated asset of the protected series. Only an asset of a series limited liability company may be an associated asset of the company.

2. An asset of a protected series of a series limited liability company is an associated asset of the protected series only if the protected series creates and maintains records that state the name of the protected series and describe the asset with sufficient specificity to permit a disinterested, reasonable individual to do all of the following:

*a.* Identify the asset and distinguish it from any other asset of the protected series, any asset of the company, and any asset of any other protected series of the company.

*b.* Determine when and from what person the protected series acquired the asset or how the asset otherwise became an asset of the protected series.

*c.* If the protected series acquired the asset from the company or another protected series of the company, determine any consideration paid, the payor, and the payee.

3. An asset of a series limited liability company is an associated asset of the company only if the company creates and maintains records that state the name of the company and describe the asset with sufficient specificity to permit a disinterested, reasonable individual to do all of the following:

*a.* Identify the asset and distinguish it from any other asset of the company and any asset of any protected series of the company.

*b.* Determine when and from what person the company acquired the asset or how the asset otherwise became an asset of the company.

*c.* If the company acquired the asset from a protected series of the company, determine any consideration paid, the payor, and the payee.

4. The records and recordkeeping required by subsections 2 and 3 may be organized by specific listing, category, type, quantity, or computational or allocational formula or procedure, including a percentage or share of any asset, or in any other reasonable manner.

5. To the extent permitted by this section and law of this state other than this part, a series limited liability company or protected series of the company may hold an associated asset directly or indirectly, through a representative, nominee, or similar arrangement, except that all of the following applies:

*a.* A protected series shall not hold an associated asset in the name of the company or another protected series of the company.

*b.* The company shall not hold an associated asset in the name of a protected series of the company.

Sec. 16. NEW SECTION. 489.12302 Associated member.

1. Only a member of a series limited liability company may be an associated member of a protected series of the company.

2. A member of a series limited liability company becomes an associated member of a protected series of the company if the operating agreement or a procedure established by the agreement states all of the following:

a. That the member is an associated member of the protected series.

b. The date on which the member became an associated member.

c. Any protected-series transferable interest the associated member has in connection with becoming or being an associated member.

3. If a person that is an associated member of a protected series of a series limited liability company is dissociated from the company, the person ceases to be an associated member of the protected series.

Sec. 17. NEW SECTION. 489.12303 Protected-series transferable interest.

1. A protected-series transferable interest of a protected series of a series limited liability company must be owned initially by an associated member of the protected series or the company.

2. If a protected series of a series limited liability company has no associated members when established, the company owns the protected-series transferable interests in the protected series.

3. In addition to acquiring a protected series transferable series interest under subsection 2, a series limited liability company may acquire a protected-series transferable interest through a transfer from another person or as provided in the operating agreement.

4. Except for section 489.12108, subsection 1, paragraph "c", a provision of this part which applies to a protected-series transferee of a protected series of a series limited liability company applies to the company in its capacity as an owner of a protected-series transferable interest of the protected series. A provision of the operating agreement of a series limited liability company which applies

to a protected-series transferee of a protected series of the company applies to the company in its capacity as an owner of a protected-series transferable interest of the protected series.

Sec. 18. NEW SECTION. 489.12304 Management.

1. A protected series may have more than one protected-series manager.

2. If a protected series has no associated members, the series limited liability company is the protected-series manager.

3. Section 489.12108 applies to determine any duties of a protected-series manager of a protected series of a series limited liability company to all of the following:

- a. The protected series.
- b. Any associated member of the protected series.
- c. Any protected-series transferee of the protected series.

4. Solely by reason of being or acting as a protected-series manager of a protected series of a series limited liability company, a person owes no duty to any of the following:

- a. The company.
- b. Another protected series of the company.
- c. Another person in that person's capacity as any of the

following:

(1) A member of the company which is not an associated member of the protected series.

(2) A protected-series transferee or protected-series manager of another protected series.

(3) A transferee of the company.

5. An associated member of a protected series of a series limited liability company has the same rights as any other member of the company to vote on or consent to an amendment to the company's operating agreement or any other matter being decided by the members, whether or not the amendment or matter affects the interests of the protected series or the associated member.

6. Article 9 applies to a protected series in accordance with section 489.12108.

Sec. 19. NEW SECTION. 489.12305 Right of person not associated member of protected series to information concerning protected series.

1. A member of a series limited liability company which is not an associated member of a protected series of the company has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that a member that is not a manager of a manager-managed limited liability company has a right to information concerning the company under section 489.410, subsection 2.

2. A person formerly an associated member of a protected series has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that a person dissociated as a member of a manager-managed limited liability company has a right to information concerning the company under section 489.410, subsection 3.

3. If an associated member of a protected series dies, the legal representative of the deceased associated member has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that the legal representative of a deceased member of a limited liability company has a right to information concerning the company under section 489.504.

4. A protected-series manager of a protected series has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that a manager of a manager-managed limited liability company has a right to information concerning the company under section 489.410, subsection 2.

#### SUBPART D

##### LIMITATION ON LIABILITY AND ENFORCEMENT OF CLAIMS

Sec. 20. NEW SECTION. 489.12401 Limitations on liability.

1. A person is not liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of any of the following:

a. A protected series of a series limited liability company solely by reason of being or acting as any of the following:

(1) An associated member, protected-series manager, or protected-series transferee of the protected series.

(2) A member, manager, or a transferee of the company.

*b.* A series limited liability company solely by reason of being or acting as an associated member, protected-series manager, or protected-series transferee of a protected series of the company.

2. Subject to section 489.12404, all of the following rules apply:

*a.* A debt, obligation, or other liability of a series limited liability company is solely the debt, obligation, or liability of the company.

*b.* A debt, obligation, or other liability of a protected series is solely the debt, obligation, or liability of the protected series.

*c.* A series limited liability company is not liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of a protected series of the company solely by reason of the protected series being a protected series of the company or the company for any of the following:

(1) Being or acting as a protected-series manager of the protected series.

(2) Having the protected series manage the company.

(3) Owning a protected-series transferable interest of the protected series.

*d.* A protected series of a series limited liability company is not liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the company or another protected series of the company solely by reason of any of the following:

(1) Being a protected series of the company.

(2) Being or acting as a manager of the company or a protected-series manager of another protected series of the company.

(3) Having the company or another protected series of the company be or act as a protected-series manager of the protected series.

Sec. 21. NEW SECTION. 489.12402 Claim seeking to disregard limitation of liability.

1. Except as otherwise provided in subsection 2, a claim seeking to disregard a limitation in section 489.12401 is

governed by the principles of law and equity, including a principle providing a right to a creditor or holding a person liable for a debt, obligation, or other liability of another person, which would apply if each protected series of a series limited liability company were a limited liability company formed separately from the series limited liability company and distinct from the series limited liability company and any other protected series of the series limited liability company.

2. The failure of a limited liability company or a protected series to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground to disregard a limitation in section 489.12401, subsection 1, but may be a ground to disregard a limitation in section 489.12401, subsection 2.

3. This section applies to a claim seeking to disregard a limitation of liability applicable to a foreign series limited liability company or foreign protected series and comparable to a limitation stated in section 489.12401, if any of the following apply:

a. The claimant is a resident of this state or doing business or authorized to do business in this state.

b. The claim is to establish or enforce a liability arising under law of this state other than this part or from an act or omission in this state.

**Sec. 22. NEW SECTION. 489.12403 Remedies of judgment creditor of associated member or protected-series transferee.**

Section 489.503 applies to a judgment creditor of any of the following:

1. An associated member or protected-series transferee of a protected series.

2. A series limited liability company, to the extent the company owns a protected-series transferable interest of a protected series.

**Sec. 23. NEW SECTION. 489.12404 Enforcement against nonassociated asset.**

1. As used in this section:

a. "*Enforcement date*" means 12:01 a.m. on the date on which a claimant first serves process on a series limited liability company or protected series in an action seeking to enforce

under this section a claim against an asset of the company or protected series by attachment, levy, or the like.

*b.* Subject to section 489.12608, subsection 2, "*incurrence date*" means the date on which a series limited liability company or protected series incurred the liability giving rise to a claim that a claimant seeks to enforce under this section.

2. If a claim against a series limited liability company or a protected series of the company has been reduced to judgment, in addition to any other remedy provided by law or equity, the judgment may be enforced in accordance with the following rules:

*a.* A judgment against the company may be enforced against an asset of a protected series of the company if any of the following applies:

(1) The asset was a nonassociated asset of the protected series on the incurrence date.

(2) The asset is a nonassociated asset of the protected series on the enforcement date.

*b.* A judgment against a protected series may be enforced against an asset of the company if any of the following apply:

(1) The asset was a nonassociated asset of the company on the incurrence date.

(2) The asset is a nonassociated asset of the company on the enforcement date.

*c.* A judgment against a protected series may be enforced against an asset of another protected series of the company if any of the following applies:

(1) The asset was a nonassociated asset of the other protected series on the incurrence date.

(2) The asset is a nonassociated asset of the other protected series on the enforcement date.

3. In addition to any other remedy provided by law or equity, if a claim against a series limited liability company or a protected series has not been reduced to a judgment and law other than this part permits a prejudgment remedy by attachment, levy, or the like, the court may apply subsection 2 as a prejudgment remedy.

4. In a proceeding under this section, the party asserting that an asset is or was an associated asset of a series limited

liability company or a protected series of the company has the burden of proof on the issue.

5. This section applies to an asset of a foreign series limited liability company or foreign protected series if all of the following applies:

a. The asset is real or tangible property located in this state.

b. The claimant is a resident of this state or doing business or authorized to do business in this state, or the claim under section 489.12404 is to enforce a judgment, or to seek a prejudgment remedy, pertaining to a liability arising from law of this state other than this part or an act or omission in this state.

c. The asset is not identified in the records of the foreign series limited liability company or foreign protected series in a manner comparable to the manner required by section 489.12301.

#### SUBPART E

##### DISSOLUTION AND WINDING UP OF PROTECTED SERIES

Sec. 24. NEW SECTION. 489.12501 Events causing dissolution of protected series.

A protected series of a series limited liability company is dissolved, and its activities and affairs must be wound up, only on any of the following:

1. Dissolution of the company.
2. Occurrence of an event or circumstance the operating agreement states causes dissolution of the protected series.
3. Affirmative vote or consent of all members.
4. Entry by the court of an order dissolving the protected series on application by an associated member or protected-series manager of the protected series subject to all of the following:

a. In accordance with section 489.12108.

b. To the same extent, in the same manner, and on the same grounds the court would enter an order dissolving a limited liability company on application by a member or manager of the company.

5. Entry by the court of an order dissolving the protected series on application by the company or a member of the company

on the ground that the conduct of all or substantially all the activities and affairs of the protected series is illegal.

Sec. 25. NEW SECTION. 489.12502 Winding up dissolved protected series.

1. Subject to subsections 2 and 3 and in accordance with section 489.12108 all of the following apply:

a. A dissolved protected series shall wind up its activities and affairs in the same manner that a limited liability company winds up its activities and affairs under sections 489.702 through 489.704 subject to the same requirements and conditions and with the same effects.

b. Judicial supervision or another judicial remedy is available in the winding up of the protected series to the same extent, in the same manner, under the same conditions, and with the same effects that apply under section 489.702, subsection 5.

2. When a protected series of a series limited liability company dissolves, the company may deliver to the secretary of state for filing a statement of protected series dissolution stating the name of the company and the protected series and that the protected series is dissolved. The filing of the statement by the secretary of state has the same effect as the filing by the secretary of state of a statement of dissolution under section 489.103, subsection 4, paragraph "b", subparagraph (1).

3. When a protected series of a series limited liability company has completed winding up, the company may deliver to the secretary of state for filing a statement of designation cancellation stating the name of the company and the protected series and that the protected series is terminated. The filing of the statement by the secretary of state has the same effect as the filing by the secretary of state of a statement of termination under section 489.103, subsection 4, paragraph "b", subparagraph (2).

4. A series limited liability company has not completed its winding up until each of the protected series of the company has completed its winding up.

Sec. 26. NEW SECTION. 489.12503 Effect of reinstatement of series limited liability company or revocation of voluntary

dissolution.

If a series limited liability company that has been administratively dissolved is reinstated, or a series limited liability company that voluntarily dissolved rescinds its dissolution both of the following apply:

1. Each protected series of the company ceases winding up.
2. The provisions of section 489.706 apply to each protected series of the company in accordance with section 489.12108.

SUBPART F

ENTITY TRANSACTIONS RESTRICTED

Sec. 27. NEW SECTION. 489.12601 Definitions.

As used in this subpart:

1. "*After a merger*" or "*after the merger*" means when a merger under section 489.12604 becomes effective and afterwards.
2. "*Before a merger*" or "*before the merger*" means before a merger under section 489.12604 becomes effective.
3. "*Continuing protected series*" means a protected series of a surviving company which continues in uninterrupted existence after a merger under section 489.12604.
4. "*Merging company*" means a limited liability company that is party to a merger under section 489.12604.
5. "*Nonsurviving company*" means a merging company that does not continue in existence after a merger under section 489.12604.
6. "*Relocated protected series*" means a protected series of a nonsurviving company which, after a merger under section 489.12604, continues in uninterrupted existence as a protected series of the surviving company.
7. "*Surviving company*" means a merging company that continues in existence after a merger under section 489.12604.

Sec. 28. NEW SECTION. 489.12602 Protected series shall not be party to entity transaction.

A protected series shall not do any of the following:

1. Be an acquiring, acquired, converting, converted, merging, or surviving entity.
2. Participate in a domestication.
3. Be a party to or be formed, organized, established, or created in a transaction substantially like a merger, interest exchange, conversion, or domestication.

Sec. 29. NEW SECTION. 489.12603 Restriction on entity transaction involving protected series.

A series limited liability company shall not be any of the following:

1. An acquiring, acquired, converting, converted, domesticating, or domesticated entity.
2. Except as otherwise provided in section 489.12604, a party to or the surviving company of a merger.

Sec. 30. NEW SECTION. 489.12604 Merger authorized — parties restricted.

A series limited liability company may be party to a merger in accordance with sections 489.1001 through 489.1005, this section, and sections 489.12605 through 489.12608 only if all of the following apply:

1. Each other party to the merger is a limited liability company.
2. The surviving company is not created in the merger.

Sec. 31. NEW SECTION. 489.12605 Plan of merger.

In a merger under section 489.12604, the plan of merger must do all of the following:

1. Comply with section 489.1002.
2. State in a record all of the following:
  - a. For any protected series of a nonsurviving company, whether after the merger the protected series will be a relocated protected series or be dissolved, wound up, and terminated.
  - b. For any protected series of the surviving company which exists before the merger, whether after the merger the protected series will be a continuing protected series or be dissolved, wound up, and terminated.

c. For each relocated protected series or continuing protected series all of the following:

(1) The name of any person that becomes an associated member or protected-series transferee of the protected series after the merger, any consideration to be paid by, on behalf of, or in respect of the person, the name of the payor, and the name of the payee.

(2) The name of any person whose rights or obligations in the person's capacity as an associated member or

protected-series transferee will change after the merger.

(3) Any consideration to be paid to a person who before the merger was an associated member or protected-series transferee of the protected series and the name of the payor.

(4) If after the merger the protected series will be a relocated protected series, its new name.

d. For any protected series to be established by the surviving company as a result of the merger all of the following:

(1) The name of the protected series.

(2) Any protected-series transferable interest to be owned by the surviving company when the protected series is established.

(3) The name of and any protected-series transferable interest owned by any person that will be an associated member of the protected series when the protected series is established.

e. For any person that is an associated member of a relocated protected series and will remain a member after the merger, any amendment to the operating agreement of the surviving company which is all of the following:

(1) Is or is proposed to be in a record.

(2) Is necessary or appropriate to state the rights and obligations of the person as a member of the surviving company.

**Sec. 32. NEW SECTION. 489.12606 Articles of merger.**

In a merger under section 489.12604, the articles of merger must do all of the following:

1. Comply with section 489.1004.

2. Include as an attachment the following records, each to become effective when the merger becomes effective upon any of the following:

a. For a protected series of a merging company being terminated as a result of the merger, a statement of termination signed by the company.

b. For a protected series of a nonsurviving company which after the merger will be a relocated protected series all of the following:

(1) A statement of relocation signed by the nonsurviving company which contains the name of the company and the name of

the protected series before and after the merger.

(2) A statement of protected series designation signed by the surviving company.

c. For a protected series being established by the surviving company as a result of the merger, a protected series designation signed by the company.

Sec. 33. NEW SECTION. 489.12607 Effect of merger.

When a merger under section 489.12604 becomes effective, in addition to the effects stated in section 489.1005, all of the following apply:

1. As provided in the plan of merger, each protected series of each merging company which was established before the merger is any of the following:

a. Is a relocated protected series or continuing protected series.

b. Is dissolved, wound up, and terminated.

2. Any protected series to be established as a result of the merger is established.

3. Any relocated protected series or continuing protected series is the same person without interruption as it was before the merger.

4. All property of a relocated protected series or continuing protected series continues to be vested in the protected series without transfer, reversion, or impairment.

5. All debts, obligations, and other liabilities of a relocated protected series or continuing protected series continue as debts, obligations, and other liabilities of the protected series.

6. Except as otherwise provided by law or the plan of merger, all the rights, privileges, immunities, powers, and purposes of a relocated protected series or continuing protected series remain in the protected series.

7. The new name of a relocated protected series may be substituted for the former name of the protected series in any pending action or proceeding.

8. If provided in the plan of merger all of the following apply:

a. A person becomes an associated member or protected-series transferee of a relocated protected series or continuing

protected series.

*b.* A person becomes an associated member of a protected series established by the surviving company as a result of the merger.

*c.* Any change in the rights or obligations of a person in the person's capacity as an associated member or protected-series transferee of a relocated protected series or continuing protected series take effect.

*d.* Any consideration to be paid to a person that before the merger was an associated member or protected-series transferee of a relocated protected series or continuing protected series is due.

9. Any person that is a member of a relocated protected series becomes a member of the surviving company, if not already a member.

Sec. 34. NEW SECTION. 489.12608 Application of section 489.12404 after merger.

1. A creditor's right that existed under section 489.12404 immediately before a merger under section 489.12604 may be enforced after the merger in accordance with all of the following:

*a.* A creditor's right that existed immediately before the merger against the surviving company, a continuing protected series, or a relocated protected series continues without change after the merger.

*b.* A creditor's right that existed immediately before the merger against a nonsurviving company all of the following apply:

(1) May be asserted against an asset of the nonsurviving company which vested in the surviving company as a result of the merger.

(2) Does not otherwise change.

*c.* Subject to subsection 2, all of the following apply:

(1) In addition to the remedy stated in paragraph "a", a creditor with a right under section 489.12404 which existed immediately before the merger against a nonsurviving company or a relocated protected series may assert the right against any of the following:

(a) An asset of the surviving company, other than an asset

of the nonsurviving company which vested in the surviving company as a result of the merger.

(b) An asset of a continuing protected series.

(c) An asset of a protected series established by the surviving company as a result of the merger.

(d) If the creditor's right was against an asset of the nonsurviving company, an asset of a relocated series.

(e) If the creditor's right was against an asset of a relocated protected series, an asset of another relocated protected series.

(2) In addition to the remedy stated in paragraph "b", a creditor with a right that existed immediately before the merger against the surviving company or a continuing protected series may assert the right against any of the following:

(a) An asset of a relocated protected series.

(b) An asset of a nonsurviving company which vested in the surviving company as a result of the merger.

2. For the purposes of subsection 1, paragraph "c", and section 489.12404, subsection 2, paragraph "a", subparagraph (1); section 489.12404, subsection 2, paragraph "b", subparagraph (1); and section 489.12404, subsection 2, paragraph "c", subparagraph (1), the incurrence date is deemed to be the date on which the merger becomes effective.

3. A merger under section 489.12604 does not affect the manner in which section 489.12404 applies to a liability incurred after the merger.

#### SUBPART G

##### FOREIGN PROTECTED SERIES

Sec. 35. NEW SECTION. 489.12701 Governing law.

The law of the jurisdiction of formation of a foreign series limited liability company governs all of the following:

1. The internal affairs of a foreign protected series of the company, including all of the following:

a. Relations among any associated members of the foreign protected series.

b. Relations between the foreign protected series and any of the following:

(1) Any associated member.

(2) The protected-series manager.

(3) Any protected-series transferee.

*c.* Relations between any associated member and any of the following:

(1) The protected-series manager.

(2) Any protected-series transferee.

*d.* The rights and duties of a protected-series manager.

*e.* Governance decisions affecting the activities and affairs of the foreign protected series and the conduct of those activities and affairs.

*f.* Procedures and conditions for becoming an associated member or protected-series transferee.

2. Relations between the foreign protected series and all of the following:

*a.* The company.

*b.* Another foreign protected series of the company.

*c.* A member of the company which is not an associated member of the foreign protected series.

*d.* A foreign protected-series manager that is not a protected-series manager of the protected series.

*e.* A foreign protected-series transferee that is not a foreign protected-series transferee of the protected series.

*f.* A transferee of a transferable interest of the company.

3. Except as otherwise provided in sections 489.12402 and 489.12404, the liability of a person for a debt, obligation, or other liability of a foreign protected series of a foreign series limited liability company if the debt, obligation, or liability is asserted solely by reason of the person being or acting as any of the following:

*a.* An associated member, protected-series transferee, or protected-series manager of the foreign protected series.

*b.* A member of the company which is not an associated member of the foreign protected series.

*c.* A protected-series manager of another foreign protected series of the company.

*d.* A protected-series transferee of another foreign protected series of the company.

*e.* A manager of the company.

*f.* A transferee of a transferable interest of the company.

4. Except as otherwise provided in sections 489.12402 and

489.12404 all of the following apply:

a. The liability of the foreign series limited liability company for a debt, obligation, or other liability of a foreign protected series of the company if the debt, obligation, or liability is asserted solely by reason of the foreign protected series being a foreign protected series of the company or the company as a consequence of any of the following:

(1) Being or acting as a foreign protected-series manager of the foreign protected series.

(2) Having the foreign protected series manage the company.

(3) Owning a protected-series transferable interest of the foreign protected series.

b. The liability of a foreign protected series for a debt, obligation, or other liability of the company or another foreign protected series of the company if the debt, obligation, or liability is asserted solely by reason of the foreign protected series as a consequence of any of the following:

(1) Being a foreign protected series of the company or having the company or another foreign protected series of the company be or act as foreign protected-series manager of the foreign protected series.

(2) Managing the company or being or acting as a foreign protected-series manager of another foreign protected series of the company.

Sec. 36. NEW SECTION. 489.12702 No attribution of activities constituting doing business or for establishing jurisdiction.

In determining whether a foreign series limited liability company or foreign protected series of the company does business in this state or is subject to the personal jurisdiction of the courts of this state all of the following apply:

1. The activities and affairs of the company are not attributable to a foreign protected series of the company solely by reason of the foreign protected series being a foreign protected series of the company.

2. The activities and affairs of a foreign protected series are not attributable to the company or another foreign

protected series of the company solely by reason of the foreign protected series being a foreign protected series of the company.

Sec. 37. NEW SECTION. 489.12703 Authorization of foreign protected series.

1. Except as otherwise provided in this section and subject to sections 489.12402 and 489.12404, the law of this state governing the filing of a certificate of authority of a foreign limited liability company to do business in this state, including the consequences of not complying with that law, applies to a foreign protected series of a foreign series limited liability company as if the foreign protected series were a foreign limited liability company formed separately from the foreign series limited liability company and distinct from the foreign series limited liability company and any other foreign protected series of the foreign series limited liability company.

2. An application by a foreign protected series of a foreign series limited liability company for a certificate of authority to do business in this state must include all of the following:

a. The name and jurisdiction of formation of the foreign series limited liability company.

b. If the company has other foreign protected series, the name and street and mailing address of an individual who knows the name and street and mailing address of all of the following:

(1) Each other foreign protected series of the foreign series limited liability company.

(2) The foreign protected-series manager of and agent for service of process for each other foreign protected series of the foreign series limited liability company.

2A. If the jurisdiction under whose law the foreign protected series was organized does not provide for the protected series to obtain a certificate of existence, the foreign protected series shall attach a certificate of existence for the series limited liability company of which it is a protected series. In that case, a foreign protected series of the foreign series limited liability company will be deemed to be in existence and good standing as long as the

series limited liability company is in existence and good standing.

3. The name of a foreign protected series applying for a certificate of authority or authorized to do business in this state must comply with section 489.12202 and may do so using a fictitious name pursuant to section 489.108, if the fictitious name complies with section 489.12202.

4. A foreign protected series that has in effect a certificate of authority pursuant to this section shall file with the secretary of state an amendment to its application if there is any change in the information required by subsection 2.

Sec. 38. NEW SECTION. 489.12704 Disclosure required when foreign series limited liability company or foreign protected series party to proceeding.

1. Not later than thirty days after becoming a party to a proceeding before a civil, administrative, or other adjudicative tribunal of or located in this state or a tribunal of the United States located in this state all of the following apply:

a. A foreign series limited liability company shall disclose to each other party the name and street and mailing address of all of the following:

(1) Each foreign protected series of the company.

(2) Each foreign protected-series manager of and a registered agent for service of process for each foreign protected series of the company.

b. A foreign protected series of a foreign series limited liability company shall disclose to each other party the name and street and mailing address of all of the following:

(1) The company and each manager of the company and an agent for service of process for the company.

(2) Any other foreign protected series of the company and each foreign protected-series manager of and an agent for service of process for the other foreign protected series.

2. If a foreign series limited liability company or foreign protected series challenges the personal jurisdiction of the tribunal, the requirement that the foreign company or foreign protected series make disclosure under subsection 1 is

tolled until the tribunal determines whether it has personal jurisdiction.

3. If a foreign series limited liability company or foreign protected series does not comply with subsection 1, a party to the proceeding may do any of the following:

*a.* Request the tribunal to treat the noncompliance as a failure to comply with the tribunal's discovery rules.

*b.* Bring a separate proceeding in the court to enforce subsection 1.

#### SUBPART H

#### TRANSITIONAL PROVISIONS

Sec. 39. NEW SECTION. 489.12803 Transitional provisions.

1. Before July 1, 2021, this part governs only the following:

*a.* A series limited liability company formed, or a protected series established, on or after July 1, 2020.

*b.* A limited liability company that is a series limited liability company before July 1, 2020, and elects, in the manner provided in its operating agreement or by law for amending the operating agreement, to be subject to this part.

2. If a series limited liability company elects under subsection 1, paragraph "b", to be subject to this part:

*a.* The election applies to each protected series of the company, whenever established.

*b.* A manager of the company has the right to sign and deliver to the secretary of state for filing any record necessary to comply with this part, whether the record pertains to the company, a protected series of the company, or both.

3. On and after July 1, 2021, this part governs all series limited liability companies and protected series.

4. Until July 1, 2021, sections 489.12402 and 489.12404 do not apply to a foreign protected series that was established before July 1, 2020, or a foreign limited liability company that became a foreign series limited liability company before July 1, 2020.

5. This section is repealed on July 1, 2021.

Sec. 40. NEW SECTION. 489.12804 Savings clause.

This part does not affect an action commenced, proceeding brought, or right accrued before July 1, 2020.

Sec. 41. EFFECTIVE DATE. This division of this Act takes effect July 1, 2020.

DIVISION II

UNIFORM PROTECTED SERIES ACT — CONFORMING AMENDMENTS

Sec. 42. Section 10.1, subsections 9 and 17, Code 2019, are amended to read as follows:

9. a. *"Farmers cooperative limited liability company"* means a limited liability company organized under chapter 489, if cooperative associations hold one hundred percent of all membership interests in the limited liability company. Farmers cooperative associations must hold at least seventy percent of all membership interests in the limited liability company. If more than one type of membership interest is established, ~~including any series as provided in section 489.1201 or any class or group as provided in section 489.1201,~~ farmers cooperative associations must hold at least seventy percent of all membership interests of each type.

b. As used in paragraph "a", a type of membership interest in a limited liability company includes any of the following:

(1) (a) A series as provided in chapter 489, article 12.

(b) This subparagraph is repealed on July 1, 2021.

(2) A protected series as provided in chapter 489, article 12.

17. *"Networking farmers limited liability company"* means a limited liability company, other than a family farm limited liability company as defined in section 9H.1, organized under chapter 489 if all of the following conditions are satisfied:

a. (1) Qualified farmers must hold at least fifty-one percent of all membership interests in the limited liability company. If more than one type of membership interest is established, ~~including any series as provided in section 489.1201 or any class or group as provided in section 489.1201,~~ qualified farmers must hold at least fifty-one percent of all membership interests of each type.

~~b.~~ (2) Qualified persons must hold at least seventy percent of all membership interests in the limited liability company. If more than one type of membership interest is established, ~~including any series as provided in section 489.1201 or any class or group as provided in section 489.1201,~~ qualified

persons must hold at least seventy percent of all membership interests of each type.

b. As used in paragraph "a", a type of membership interest in a limited liability company includes any of the following:

(1) (a) A series as provided in chapter 489, article 12.

(b) This subparagraph is repealed on July 1, 2021.

(2) A protected series of a series limited liability company as provided in chapter 489, article 12.

Sec. 43. Section 10.10, subsection 1, paragraph c, Code 2019, is amended to read as follows:

c. (1) Less than fifty percent of the interest in the farmers cooperative limited liability company is held by members which are parties to intra-company loan agreements. If more than one type of membership interest is established, ~~including any series as provided in section 489.1201 or any class or group as provided in section 489.1201,~~ less than fifty percent of the interest in each type of membership shall be held by members which are parties to intra-company loan agreements.

(2) As used in subparagraph (1), a type of membership interest in a limited liability company includes any of the following:

(a) (i) A series as provided in chapter 489, article 12.

(ii) This subparagraph division is repealed on July 1, 2021.

(b) A protected series of a series limited liability company as provided in chapter 489, article 12.

Sec. 44. Section 489.101, Code 2019, is amended to read as follows:

**489.101 Short title.**

1. This chapter may be cited as the "Revised Uniform Limited Liability Company Act".

2. In addition, article 12, part 1, of this chapter may be cited as provided in section 489.1201.

Sec. 45. Section 489.801, subsection 1, Code 2019, is amended to read as follows:

1. ~~The~~ Subject to sections 489.12402 and 489.12404, the law of the state or other jurisdiction under which a foreign limited liability company is formed governs all of the following:

a. The internal affairs of the company.

b. The liability of a member as member and a manager as manager for the debts, obligations, or other liabilities of the company.

Sec. 46. Section 489.1201, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 8. This section is repealed on July 1, 2021.

Sec. 47. Section 489.1202, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 7. This section is repealed on July 1, 2021.

Sec. 48. Section 489.1203, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 14. This section is repealed on July 1, 2021.

Sec. 49. Section 489.1204, Code 2019, is amended to read as follows:

**489.1204 Dissociation from a series.**

1. Unless otherwise provided in the operating agreement, a member shall cease to be associated with a series and to have the power to exercise any rights or powers of a member with respect to such series upon the assignment of all of the member's transferable interest with respect to such series. Except as otherwise provided in an operating agreement, an event under this chapter or identified in an operating agreement that causes a member to cease to be associated with a series, by itself, shall not cause such member to cease to be associated with any other series or terminate the continued membership of a member in the limited liability company.

2. This section is repealed on July 1, 2021.

Sec. 50. Section 489.1205, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 4. This section is repealed on July 1, 2021.

Sec. 51. Section 489.1206, Code 2019, is amended to read as follows:

**489.1206 Foreign series.**

1. A foreign limited liability company that is authorized

to do business in this state under article 8 which is governed by an operating agreement that establishes or provides for the establishment of designated series of transferable interests having separate rights, powers, or duties with respect to specified property or obligations of the foreign limited liability company, or profits and losses associated with the specified property or obligations, shall indicate that fact on the application for a certificate of authority as a foreign limited liability company. In addition, the foreign limited liability company shall state on the application whether the debts, liabilities, and obligations incurred, contracted for, or otherwise existing with respect to a particular series, if any, are enforceable against the assets of such series only, and not against the assets of the foreign limited liability company generally.

2. This section is repealed on July 1, 2021.

Sec. 52. CODE EDITOR DIRECTIVE.

1. The Code editor is directed to make the following transfers:

a. Section 489.1201, as amended by this division of this Act, to section 489.12901.

b. Section 489.1202, as amended by this division of this Act, to section 489.12902.

c. Section 489.1203, as amended by this division of this Act, to section 489.12903.

d. Section 489.1204, as amended by this division of this Act, to section 489.12904.

e. Section 489.1205, as amended by this division of this Act, to section 489.12905.

f. Section 489.1206, as amended by this division of this Act, to section 489.12906.

2. The Code editor shall codify the sections described in subsection 1 as new part 2 of article 12 of chapter 489.

3. The Code editor shall correct internal references in the Code and in any enacted legislation as necessary due to the enactment of this section.

Sec. 53. EFFECTIVE DATE. This division of this Act takes effect July 1, 2020.

MANAGEMENT OF LIMITED LIABILITY COMPANIES

Sec. 54. Section 489.407, subsection 2, paragraph f, Code 2019, is amended by striking the paragraph.

DIVISION IV

DISSOLUTION

Sec. 55. Section 489.105, subsection 2, paragraph a, Code 2019, is amended to read as follows:

a. Delivering to the secretary of state for filing a statement of change under section 489.114, an amendment to the certificate under section 489.202, a statement of correction under section 489.206, a biennial report under section 489.209, a statement of withdrawal or a statement of rescission under section 489.701A, or a statement of termination under section 489.702, subsection 2, paragraph "b", subparagraph (6).

Sec. 56. Section 489.117, subsection 1, Code 2019, is amended by adding the following new paragraphs:

NEW PARAGRAPH. 0a. Statement of rescission . . . . No fee

NEW PARAGRAPH. 00a. Statement of withdrawal . . . No fee

Sec. 57. NEW SECTION. 489.701A Rescinding dissolution.

1. A limited liability company may rescind its dissolution, unless a statement of termination applicable to the company has become effective, a district court has entered an order under section 489.701, subsection 1, paragraph "d", dissolving the company, or the secretary of state has dissolved the company under section 489.705.

2. Rescinding dissolution under this section requires all of the following:

a. The affirmative vote or consent of each member.

b. If the limited liability company has delivered to the secretary of state for filing a statement of dissolution and any of the following applies:

(1) The statement has not become effective, delivery to the secretary of state for filing of a statement of withdrawal under section 489.205 applicable to the statement of dissolution.

(2) If the statement of dissolution has become effective, delivery to the secretary of state for filing of a statement of rescission stating the name of the company and that dissolution has been rescinded under this section.

3. If a limited liability company rescinds its dissolution all of the following apply:

a. The company resumes carrying on its activities and affairs as if the dissolution had never occurred.

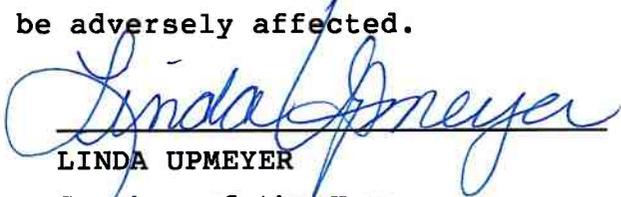
b. Subject to paragraph "c", any liability incurred by the company after the dissolution and before the rescission has become effective is determined as if dissolution had never occurred.

c. The rights of a third party arising out of conduct in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.



CHARLES SCHNEIDER

President of the Senate



LINDA UPMEYER

Speaker of the House

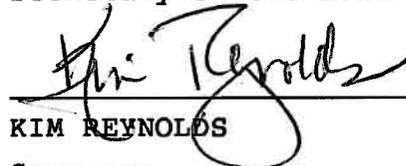
I hereby certify that this bill originated in the Senate and is known as Senate File 569, Eighty-eighth General Assembly.



W. CHARLES SMITHSON

Secretary of the Senate

Approved April 15<sup>th</sup>, 2019



KIM REYNOLDS

Governor